AMENDED IN SENATE JULY 15, 2003 AMENDED IN SENATE JUNE 30, 2003

CALIFORNIA LEGISLATURE—2003-04 REGULAR SESSION

ASSEMBLY BILL

No. 866

Introduced by Assembly Member Pavley

February 20, 2003

An act to amend Sections 30940 and 30947 of 30925, 30940, 30947, and 30950 of, and to amend and renumber Section 30950 of, the Public Resources Code, and to amend Section 79543 of, and add Section 79563.5 to, the Water Code, relating to water quality.

LEGISLATIVE COUNSEL'S DIGEST

AB 866, as amended, Pavley. Water quality.

(1) The Watershed, Clean Beaches, and Water Quality Act provides for a program of grants to public agencies and nonprofit organizations for projects designed to improve water quality at public beaches, improve water quality monitoring and sewer capability, protect water quality by reducing runoff pollution, and control nonpoint source water pollution. Under the agricultural water quality grant program of the act, the State Water Resources Control Board may award grants to public agencies or nonprofit organizations for the purposes of improving agricultural water quality. The board, in consultation with the Department of Food and Agriculture, is required to develop criteria for evaluating projects considered for grants under that program.

Under the Integrated Watershed Management Program of the act, the board may award grants to public agencies and nonprofit agencies for AB 866 — 2 —

the implementation of watershed protection and water management projects that include specified elements.

This bill would require the board in developing those criteria for the agricultural water quality grant program to also consult with the program advisory review board established to advise the University of California on pilot demonstration projects to implement biologically integrated farming systems.

This bill would include, as an element for elements of the Integrated Watershed Management Program, water conservation, water use efficiency, and water supply reliability; and, an enforceable waste discharge program, as described.

This bill would revise the definition of "small community" for the purposes of the Small Community Wastewater Grant Program and Small Community Groundwater Grant Program of the act.

(2) The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, an initiative measure approved by the voters at the November 5, 2002, statewide general election (Proposition 50), authorizes, for the purposes of financing acquisition and development projects, the issuance of bonds in the amount of \$3,440,000,000. That act further provides that from \$100,000,000 of the bond funds, not less than \$20,000,000 shall be expended to implement priority actions specified in the Santa Monica Bay Restoration Plan. The act also provides that from \$500,000,000 of the bond funds, not less than \$250,000,000 shall be appropriated to the State Water Resources Control Board for competitive grants for water management projects, including watershed management planning and implementation.

This bill would specify that any money made available under those provisions for the Santa Monica Bay Restoration Plan be appropriated to the Santa Monica Bay Restoration Commission.

The bill would require that the State Water Resources Control Board, subject to the appropriation of funds being appropriated from those Proposition 50 bond proceeds, to fund the development of one or more integrated coastal watershed management plans designed to provide for the integration of project funding within one or more coastal regions, as specified.

The bill would make a nonsubstantive, technical change to renumber a code section.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. Section 30925 of the Public Resources Code is amended to read:

30925. (a) For the purposes of this article, "small community" means a municipality with a population of 20,000 persons 3,300 persons or less or 1,000 water service connections or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons 3,300 persons or less or 1,000 water service connections or less, with a financial hardship, as determined by the board.

- (b) The board may award grants under this article to assist small communities in meeting water pollution control requirements.
- (c) The board may award grants under this article to projects that meet the definition of "eligible project" in Section 79120 of the Water Code.
- (d) The board shall give priority to both of the following types of projects:
- (1) Projects to install or replace sewer systems in communities that lack adequate sewers.
- (2) Projects to assist communities with population growth pressures, to assist in the redesign and expansion of existing wastewater collection and treatment systems.
- SEC. 2. Section 30940 of the Public Resources Code is amended to read:
- 30940. The board may award grants to public agencies or nonprofit organizations for the purposes of improving agricultural water quality through monitoring, demonstration projects, research, construction of agricultural drainage improvements, and for projects to reduce pollutants in agricultural drainage water through reuse, integrated management, or treatment. Grants made pursuant to this section may be used to provide matching funds for federal grant programs. The board, in consultation with the Department of Food and Agriculture and the program advisory review board established pursuant to Section 593 of the Food and Agricultural Code, shall develop criteria for evaluating projects considered for grants under this section.

SEC. 2.

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1 SEC. 3. Section 30947 of the Public Resources Code is 2 amended to read:

3 30947. (a) The Integrated Watershed Management Program is hereby established. Upon appropriation by the Legislature, funds allocated to the program may be used by the board, subject to the terms of the memorandum of understanding executed pursuant to Section 30946 to award grants to public agencies and nonprofit organizations for the development of local watershed management plans that meet the requirements of subdivision (c) of Section 79078 of the Water Code, and for the implementation of watershed protection and water management projects that include one or more of the following elements:

(1) Stormwater capture and treatment.

- (2) Nonpoint source pollution reduction, management, and monitoring.
 - (3) Groundwater recharge and management projects.
- (4) Water banking, exchange, and reclamation, and improvement of water quality.
- (5) Vegetation management to improve watershed efficiency, aquatic and terrestrial habitat, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space.
- (6) Planning and implementation of multipurpose flood control programs that protect property and improve water quality and stormwater capture and percolation, and protect or improve wildlife habitat.
 - (7) Watershed management planning and implementation.
- (8) Demonstration projects to develop new water treatment distribution and nonpoint source pollution control methods.
- (9) Erosion sediment control and stream enhancement projects, and permit coordination programs to facilitate watershed restoration projects that implement board approved management measures for polluted runoff.
- (10) Monitoring, collection, and analysis of water quality and pollutant transport in groundwater and surface water.
- (11) Native fisheries enhancement or improvement projects, and projects to restore other threatened species.
- 38 (12) Water conservation, water use efficiency, and water 39 supply reliability.

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(13) An enforceable waste discharge program that implements best available pollution prevention practices and includes all of the following:

- (A) A clear description of how a project will achieve and maintain water quality standards.
- (B) A monitoring component that assesses the effectiveness of adopted practices.
- (C) Submission of a report of waste discharge to the appropriate regional water quality control board.
- (b) Upon completion of the project, the grantee shall submit a report to the board that summarizes the completed activities and indicates whether the purposes of the project have been met. The report shall include information collected by the grantee in accordance with the project monitoring and reporting plan, including, but not limited to, a determination of the effectiveness of the project in preventing or reducing pollution and the results of the monitoring program. The board shall make the report available to the public, watershed groups, and federal, state, and local agencies.

SEC. 2.

SEC. 4. Section 30950 of the Public Resources Code, as added by Section 3 of Chapter 1079 of the Statutes of 1986, is amended and renumbered to read:

30950.

- 30975. The Secretary of the Resources Agency shall initiate a comprehensive, long-range planning process for the use of ocean waters offshore of California, may use the advisory panel appointed pursuant to paragraphs (4) of subdivision (d) of Section 6217 as the planning committee, and may use the California Sea Grant Program to promote sound scientific data analysis and assessment in this planning process.
- SEC. 5. Section 30950 of the Public Resources Code, as added by Section 1 of Chapter 727 of the Statutes of 2002, is amended to read:
- 30950. (a) For the purposes of this article, "small community" means a municipality with a population of 20,000 persons 3,300 persons or less or 1,000 water service connections or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons 3,300 persons or less or 1,000 water

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1 service connections or less, with a financial hardship, as 2 determined by the board.

- (b) The board may award grants under this article to assist small communities in complying with groundwater contaminant level requirements.
- (c) The board may award grants under this article to local public agencies and private not-for-profit water companies.
- (d) The board shall give priority to both of the following types of projects:
- (1) Projects to provide an alternate source of water or to treat water where the existing supply of groundwater exceeds the maximum contaminant level of arsenic.
- (2) Projects to provide an alternate source of water or to treat water where the existing supply of groundwater exceeds the maximum contaminant level for nitrate.
- (e) The board may make funds available under this article in each fiscal year to provide technical assistance or planning grants, or both, to small communities.
- SEC. 6. Section 79543 of the Water Code is amended to read: 79543. (a) The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature from the fund to the board for the purpose of financing projects that restore and protect the water quality and environment of coastal waters, estuaries, bays and nearshore waters, and groundwater.
- (b) All expenditures, grants, and loans made pursuant to this section shall be consistent with the requirements of Article 5 (commencing with Section 79148) of Chapter 7 of Division 26.
- (c) Of the money made available pursuant to this section, not less than twenty million dollars (\$20,000,000) shall be expended to implement priority actions specified in the Santa Monica Bay Restoration Plan. Money appropriated pursuant to this subdivision shall be appropriated to the Santa Monica Bay Restoration Commission.
- (d) Money made available pursuant to this section shall supplement, not supplant, money appropriated or available pursuant to that Article 5 (commencing with Section 79148), and no money appropriated pursuant to this section shall be used for a project for which an appropriation was made pursuant to that Article 5 (commencing with Section 79148).

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1 SEC. 4.

SEC. 7. Section 79563.5 is added to the Water Code, to read: 79563.5. (a) The board, to the extent of funds that funds are appropriated pursuant to Section 79563 of the Water Code for the purposes of this section, shall fund the development of one or more integrated coastal watershed management plans.

- (b) The plans shall be designed to provide for the integration of project funding by the State Coastal Conservancy pursuant to Chapter 5.5 (commencing with Section 31220) of Division 21 of the Public Resources Code, and project funding by the board pursuant to Chapter 3 (commencing with Section 30915) and Article 5 (commencing with Section 30945) of Chapter 4, of Division 20.4 of the Public Resources Code, within one or more coastal regions.
- (c) The planning areas shall be selected by the board in consultation with the State Coastal Conservancy and the Department of Fish and Game and shall include coastal watersheds that influence water quality in areas of *special* biological significance.
- (d) The board may only expend funds for the purposes of this section to the extent the board determines that the expenditures are consistent with the requirements of this chapter.

SEC. 4.